WORKFORCE OBSERVATIONS
FOR SOUTH CENTRAL WISCONSIN COUNTIES

August 2001

State of Wisconsin
Department of Workforce Develop-

Note: This publication, *Workforce Observations*, replaces the *Labor Market Review*, which was previously known as the *Employment Review*.

July reveals interesting contrasts

In July, South Central Wisconsin and the state as a whole saw their unemployment rates ease by 0.1%, while the national rate remained roughly the same and the Madison Metropolitan Statistical Area (Dane County) unemployment rate increased by 0.1%.

The July estimates show an uncharacteristically wide gap between changes in the labor force and the changes in the wage and salary employment. South Central Wisconsin's labor force grew by 3,500, reflecting 3,800 more persons employed and 300 fewer unemployed persons than in June. At the same time, estimates suggest that South Central Wisconsin's employers had 4,200 fewer employees than in June.

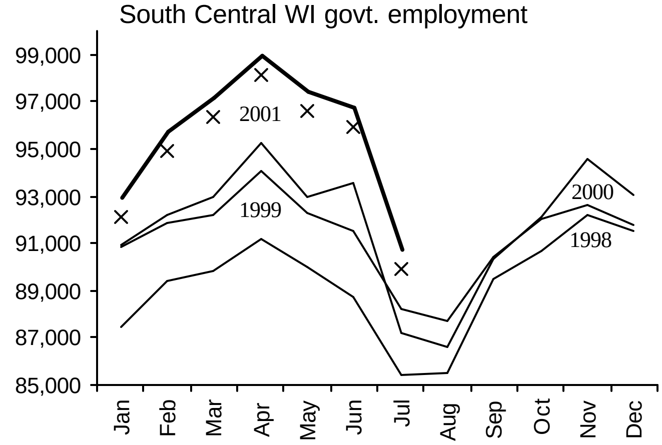
The resolution of this apparent contradiction lies in the distribution of reported job losses across industries. Government units reported a reduction of roughly six thousand jobs, mostly because schools scale back operations during the summer months. The twelve-month contracts that many teachers enjoy seldom extend to those who staff the school kitchens, busses, maintenance crews or clerical pools. Therefore, schools report fewer employees in the summer months. Some years the largest reductions show up in June, other years in July, depending on when the school year ends and when the non-teachers receive their last paychecks of the school year. Low government employment typically persists through August and returns in December and January while peaks routinely appear in April and November. (See below graph.)

The civilian labor force estimates suggest that most of the people who leave local government employment for the summer either leave the labor force, (perhaps waiting for their jobs to resume in the fall) or find jobs in other sectors. In any case, they do not report themselves as unemployed, and do not actively compete with unemployed job seekers.

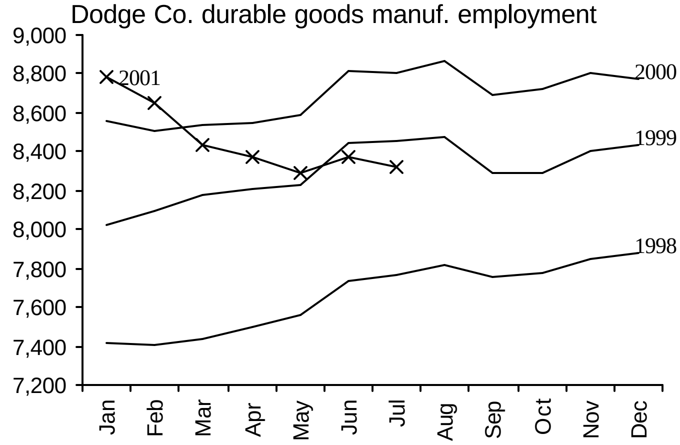
Comparing July 2001 figures to June 2001 figures, manufacturing gained twice as many jobs construction (400 and 200, respectively). However, comparing July 2001 figures to July 2000 figures, manufacturing lost 1,800 jobs over the year and construction gained 100 jobs over the year. Further contrast arises by comparing durable goods manufacturing (? 200 over the month and ? 1,200 over the year) to nondurable goods manufacturing (? 600 over the month and ? 700 over the year). These trends suggest that, in spite of the typical summer job increase, softness continues to hound the manufacturing sector and that it affects durable goods manufacturing more severely than it does nondurable goods manufacturing. The struggles of manufacturing are particularly noticeable in Dodge and Jefferson Counties, which respectively have 500 and 200 fewer durable goods manufacturing jobs than they did in July of 2000.

At least some of Dodge County's loss of durable goods manufacturing jobs can be attributed to recent cutbacks of a major producer of agricultural and construction equipment. Recent announcements include plans to reduce its U.S. workforce by 8 percent (roughly 1,200 workers) and offer retirement incentives up to $10,000. These plans probably do not affect the July estimates directly, but they increase the likelihood that previously laid-off workers who had been waiting to be called back will consider themselves unemployed now.

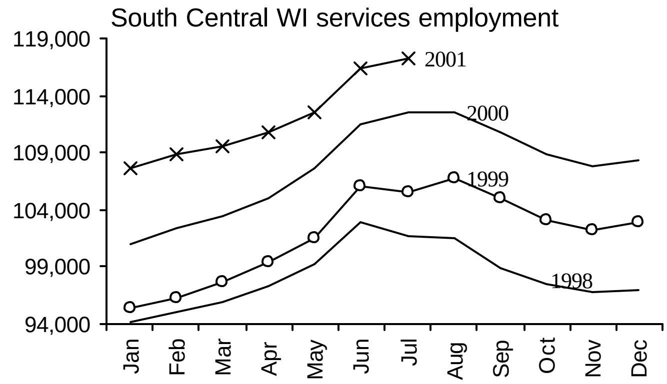
South Central WI govt. employment



Dodge Co. durable goods manuf. employment



Despite manufacturing softness, job growth remains healthy in the service industry (? 900 from June 2000 and ? 4,700 from July 1999). In Dane and Sauk Counties, services account for a higher proportion of total employment than elsewhere in South Central Wisconsin (28 percent and 32 percent, respectively) and manufacturing accounts for a lower proportion (10.3 percent and 18 percent). These counties also had the lowest unemployment rates in the area. Conversely, Dodge and Marquette Counties had the highest unemployment rates and relied most heavily on manufacturing (37 percent and 31 percent and less heavily on services (21 percent and 17 percent.



July Estimates	Wisconsin	South Central WDA	Madison MSA	Columbia County	Dodge County	Jefferson County	Marquette County	Sauk County
Civilian Labor Force*	3,128,300	457,400	281,000	29,400	51,900	46,200	7,700	41,300
Employed	2,990,500	444,600	275,400	28,100	49,100	44,600	7,200	40,200
Unemployed	137,800	12,700	5,500	1,300	2,800	1,600	400	1,100
Unemployment Rate (%)	4.4	2.8	2.0	4.4	5.4	3.5	5.5	2.6
Total jobs, all industries**	2,855,600	438,300	295,800	21,900	36,600	39,100	4,000	40,900
Construction & Mining	141,200	23,000	15,300	1,200	2,400	1,400	400	2,400
Manufacturing	601,200	71,200	30,500	5,600	13,400	13,100	1,300	7,400
Transport & Public Util.	134,400	14,900	10,000	700	1,200	1,700	100	1,000
Wholesale Trade	140,400	18,700	13,300	800	1,100	1,500	100	1,800
Retail Trade	504,300	76,900	49,300	5,000	5,200	7,300	800	9,200
Finance, Ins. Real Estate	154,300	26,400	23,100	400	800	800	100	1,100
Services	797,100	117,300	81,800	5,100	7,600	9,300	700	12,900
Government	382,700	91,500	72,600	3,000	5,000	3,900	2,100	5,000
			Change From	***June 2001***				
Civilian Labor Force*	13,700	3,500	1,700	100	600	400	0	800
Employed	17,500	3,800	1,600	100	800	400	0	900
Unemployed	-3,800	-300	100	0	-200	-100	0	-100
Unemployment Rate (%)	-0.1	-0.1	0.1	-0.1	-0.4	-0.2	-0.5	-0.3
Total jobs, all industries**	-26,600	-4,200	-3,500	-400	-100	-300	-100	200
Construction & Mining	3,900	200	100	0	0	0	0	100
Manufacturing	1,700	400	0	100	200	100	0	100
Transport & Public Util.	-3,300	-200	0	0	-100	0	0	0
Wholesale Trade	1,000	0	0	0	0	0	0	0
Retail Trade	-1,400	100	0	100	-100	-100	0	300
Finance, Ins. Real Estate	1,000	300	300	0	0	0	0	0
Services	800	900	200	100	100	0	0	400
Government	-30,300	-6,300	-4,100	-700	-200	-300	-500	-600
			Change From	***July 2000***				
Civilian Labor Force*	110,600	22,500	14,000	1,400	2,300	1,700	400	2,600
Employed	99,000	19,100	12,900	1,100	1,000	1,300	300	2,500
Unemployed	25,400	3,400	1,100	300	1,300	400	200	100
Unemployment Rate (%)	0.7	-14.5	0.3	0.8	2.5	0.7	1.7	0.1
Total jobs, all industries**	900	8,500	7,000	300	-400	100	0	1,500
Construction & Mining	100	100	200	0	0	0	0	-100
Manufacturing	-24,800	-1,800	-1,200	-100	-600	-100	0	100
Transport & Public Util.	2,100	200	100	0	0	0	0	0
Wholesale Trade	-700	200	100	0	0	0	0	0
Retail Trade	3,400	1,500	800	100	100	-100	0	600
Finance, Ins. Real Estate	3,800	800	900	0	0	0	0	0
Services	15,000	4,700	3,900	300	100	200	0	100
Government	2,000	4,300	2,200	0	0	0	1,500	700

* Includes participants residing in area. **Includes employment with employers located in area. Estimates NOT seasonally adjusted.
Current month estimates are preliminary. Sub-units may not add to totals due to rounding. Calculations based on unrounded numbers.

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